

PATENT

Application No. 09/540,034  
Attorney Docket No.: 99-078**REMARKS**

Claims 1 - 70 are pending in the present application.  
Claims 1, 64 - 67 and 70 are independent.

**Section 101 Rejections**

Claims 1 - 48, 50 - 56 and 59 - 66 stand rejected as being non-statutory. Applicants respectfully traverse the Examiner's Section 101 rejection.

**1. Improper basis for a Section 101 rejection**

It is Applicants' understanding that the basis for rejection is a claim must 'implement a physical feature' in order to be considered statutory.

Applicants are unaware of any statute or court decision supporting this assertion. Moreover, the MPEP does not purport to impose such a requirement either. Accordingly, the rejection should be withdrawn. If this rejection is maintained, Applicants respectfully request an appropriate and explicit basis for rejection.

**2. The Correct Section 101 Analysis was not Performed.**

Other than the conclusory statement that the claims recite 'an abstract idea' that is 'not within the technological arts', there is no explanation of why the claims have been deemed non statutory.

However, the Federal Circuit has made it clear that there is **no requirement for any physical limitations of any kind** in a method claim. *AT&T Corp. v. Excel Communications, Inc.*, 50 USPQ2d 1447, 1452 (Fed. Cir. 1999). The **only** issue is whether the claimed invention produces a useful, concrete, tangible result. The claim in that case was held statutory because it produced "a useful, concrete, tangible result":

Similarly, the presently pending claims produce the useful, concrete and tangible results, e.g., by processing a transaction with a customer.

It is a misunderstanding of Federal Circuit case law to contend that process claims lacking physical limitations set forth in the patent are not patentable subject matter. *AT & T Corp. v. Excel Communications, Inc.*, 172 F.3d 1352, 50 USPQ2d 1447, 1452 (Fed. Cir. 1999). This type of physical limitations analysis is of little value because "the mere fact that a claimed invention involves inputting numbers, calculating numbers, outputting numbers, and storing numbers, in and of itself, would not render it nonstatutory subject matter, unless, of course, its operation does not produce a 'useful, concrete and tangible result.'" *AT & T Corp. v. Excel Communications, Inc.*, 172 F.3d 1352, 50 USPQ2d 1447, 1452 (Fed. Cir. 1999).

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Application No. 09/540,034  
Attorney Docket No.: 99-078**Section 103(a) Rejections**

Claims 1 - 26, 32 - 43, 45, 46, 48 - 54, 57 - 60 and 63 - 70 are rejected as being unpatentable over a combination of Storey and Krauss.

Claims 27 - 31, 47, 55, 61 and 62 are rejected as being unpatentable over a combination of Storey, Krauss and Official Notice.

Claims 44 and 56 are rejected as being unpatentable over a combination of Storey, Krauss and Goldhaber.

Applicants respectfully traverse the Examiner's Section 103(a) rejection.

**Independent Claims 1, 67, 70.**

Independent claim 1 (and dependent claims 2 - 63, 68 - 69) include the following limitation:

*evaluating whether a merchant benefit will be applied to the transaction*

The Examiner proposes at page 3 of the Office Action that this feature is disclosed by Storey. However, Storey discloses that the customer may redeem award points. Even if these award points could be considered a 'merchant benefit', it is clear that in Storey the customer decides whether a merchant benefit will be applied. This differs from claim 1 where the customer clearly cannot perform the recited method.

Thus, in this interpretation of Storey the entity that performs the first step of claim 1 (*determining a third party subsidy offer to be provided to the customer*) is not the entity that performs the second step of claim 1 (*evaluating whether a merchant benefit will be applied*).

This clearly teaches away from the embodiment of claim 1. Accordingly, Storey, whether or not combined with the other art of record, does not suggest the embodiment of claim 1.

Independent claim 67 contains limitations which parallel those of claim 1, and is deemed patentable for at least the same reasons.

Independent claim 70 contains limitations which parallel those of claim 1, and is deemed patentable for at least the same reasons.

**Independent Claim 65.**

Independent claim 65 includes the following limitation:

*determining a merchant benefit to be applied to the transaction; and*

As described above, it is clear that in Storey the customer decides whether a merchant benefit will be applied. This differs from claim 65 where the customer clearly cannot perform the recited method.

Thus, in this interpretation of Storey the entity that performs that step of claim 65 is not the entity that performs other steps of claim 65 (e.g., *receiving an indication the customer is interested in purchasing the item*).

This clearly teaches away from the embodiment of claim 65. Accordingly, Storey, whether or not combined with the other art of record, does not suggest the embodiment of claim 65.

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Application No. 09/540,034  
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Independent claim 64 includes the following limitation:

*determining a merchant subsidy amount based on a retail price associated with the item less the third party subsidy amount*

and independent claim 66 similarly includes the following limitation:

*determining a merchant subsidy amount to be applied to the transaction.*

As described above, it is clear that in Storey the customer decides whether a merchant benefit will be applied. This differs from claims 64 and 66 where the customer clearly cannot perform the recited method.

Thus, in this interpretation of Storey the entity that performs the above-mentioned step of either claim (*determining a merchant subsidy amount...*) is not the entity that performs other steps of claim 64 and 66 (e.g., *determining a third party subsidy to be provided to the customer ...*).

This clearly teaches away from the embodiment of claim 65. Accordingly, Storey, whether or not combined with the other art of record, does not suggest the embodiment of claim 65.

Official Notice

In the rejection of certain claims, officially-noted subject matter comprises the principal evidence upon which the rejection was based.

Applicants cannot properly determine the validity and extent of the Official Notice since there is no support in the record. Accordingly, Applicants request a reference to describe the official noted subject matter. MPEP 2144.03.

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Application No. 09/540,034  
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For the foregoing reasons it is submitted that all of the claims are now in condition for allowance and the Examiner's early re-examination and reconsideration are respectfully requested.


Alternatively, if there remains any question regarding the present application or any of the cited references, or if the Examiner has any further suggestions for expediting allowance of the present application, the Examiner is cordially requested to contact Dean Alderucci at telephone number 203-461-7337 or via electronic mail at Alderucci@WalkerDigital.com.

**Petition for Extension of Time to Respond**

Applicants hereby petition for a **three-month** extension of time with which to respond to the Office Action. Please charge \$465.00 for this petition to our Deposit Account No. 50-0271. Please charge any additional fees that may be required for this Response, or credit any overpayment to Deposit Account No. 50-0271.

If an extension of time is required, or if an additional extension of time is required in addition to that requested in a petition for an extension of time, please grant a petition for that extension of time which is required to make this Response timely, and please charge any fee for such extension to Deposit Account No. 50-0271.

Respectfully submitted,



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July 14, 2003  
Date

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